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HOUSE BILL 203

46TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2003

INTRODUCED BY

Patricia A. Lundstrom

AN ACT

RELATING TO WATER; AMENDING THE WATER PROJECT FINANCE ACT TO
PROVIDE FOR CREATION OF A DROUGHT STRIKE TEAM; PROVIDING FOR
WATER USE EFFICIENCY AS A CRITERION FOR WATER TRUST FUND
FINANCING.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

Section 1. Section 72-4A-5 NMSA 1978 (being Laws 2001,
Chapter 164, Section 5) is amended to read:

"72-4A-5. BOARD--DUTIES.--The board shall:

A. adopt rules governing terms and conditions of
grants or loans recommended by the board for appropriation by
the legislature from the water project fund, giving priority to
projects that have urgent needs, that have been identified for
implementation of a completed regional water plan that is
accepted by the interstate stream commission and that have

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1 matching contributions from federal or local funding sources;

2 B. authorize qualifying water projects to the
3 authority that are for:

4 (1) storage, conveyance or delivery of water
5 to end users;

6 (2) implementation of federal Endangered
7 Species Act of 1973 collaborative programs;

8 (3) restoration and management of watersheds;
9 or

10 (4) flood prevention; and

11 C. create a drought strike team to coordinate
12 responses to emergency water shortages caused by drought
13 conditions. "

14 Section 2. Section 72-4A-7 NMSA 1978 (being Laws 2001,
15 Chapter 164, Section 7) is amended to read:

16 "72-4A-7. CONDITIONS FOR GRANTS AND LOANS. --

17 A. Grants and loans shall be made only to state
18 agencies or to political subdivisions that:

19 (1) agree to operate and maintain the water
20 project so that it will function properly over the structural
21 and material design life, which shall not be less than twenty
22 years;

23 (2) require the contractor of the construction
24 project to post a performance and payment bond in accordance
25 with the requirements of Section 13-4-18 NMSA 1978;

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1 (3) provide written assurance signed by an
2 attorney or provide a title insurance policy that the political
3 subdivision has proper title, easements and rights of way to
4 the property upon or through which the water project proposed
5 for funding is to be constructed or extended;

6 (4) meet the requirements of the financial
7 capability set by the board to ensure sufficient revenues to
8 operate and maintain the water project for its useful life and
9 to repay the loan;

10 (5) agree to properly maintain financial
11 records and to conduct an audit of the project's financial
12 records; and

13 (6) agree to pay costs of originating grants
14 and loans as determined by rules adopted by the board.

15 B. Plans and specifications for a water project
16 shall be approved by the authority before grant or loan
17 disbursements to pay for construction costs are made to a state
18 agency or political subdivision. Plans and specifications for
19 a water project shall incorporate available technologies and
20 operational design for water use efficiency.

21 C. Grants and loans shall be made only for eligible
22 items, which include:

- 23 (1) to match federal and local cost shares;
- 24 (2) engineering feasibility reports;
- 25 (3) contracted engineering design;

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- (4) inspection of construction;
- (5) special engineering services;
- (6) environmental or archaeological surveys;
- (7) construction;
- (8) land acquisition;
- (9) easements and rights of way; and
- (10) legal costs and fiscal agent fees. "